Third Supplement to Memorandum 88-59

Subject: Topics and Priorities for 1989 and Thereafter (Priorities)

Attached to this memorandum is a letter from P. Bogart of Western Land Bank, Inc., suggesting a revision of Business and Professions Code Section 110000 relating to real estate subdivisions. His concern is that the Business and Professions Code provisions governing regulation of subdivided lands should not be applied to subdivisions made before enactment of the provisions, since this results in payment of "yet another fee (and untold delays) before lots in an existing subdivision could be marketed."

The Commission has authority to study real property matters, including laws affecting title and use restrictions. However, the staff recommends against Commission involvement in this issue. It is primarily a political and regulatory concern. The matter appears to be within the jurisdiction of the Department of Real Estate, and the staff would refer P. Bogart to that department.

Respectfully submitted,

Nathaniel Sterling Assistant Executive Secretary 3rd Supp. to Memo 88-59
Admin.
Admin.
Admin.
Admin.

Main office (213) 465-6211 (714) 739-8137 (408) 292-5263 or 292-LAND (415) 956-5263 or 956-LAND

CA LAW REV. COMM'N

AUG 2 6 1988

RECEIVED

MANNIX INVESTIMENTS, INC.

6253 Hollywood Blvd., Hollywood, CA 90028

August 23, 1988

California Law Revision Commission 4000 Middlefield Rd Suite D-2 Palo Alto CA 94303-4739

Re: Marketable title of real property.

Gentlemen:

Your efforts relating to facilitating marketable title are well appreciated and are helpful. We do suggest, however, that an additional technical correction is desirable, as current law has led to much confusion.

We refer to the first clause of B&PC 11000:

11000. Subdivided lands; subdivision.

"Subdivided lands" and "subdivision refer to improved or unimproved land or lands divided or proposed to be divided for the purpose of sale or lease or financing, whether immediate or future, into five or more lots or parcels. ***

We suggest eliminating the misleading words "divided or proposed" as misleading - as this would infer an existing subdivision, which was established or "divided" in the remote past.

Thus, while the statute in <u>Government Code</u> <u>\$66412.6</u>, dealing with subdivisions, makes it a <u>conclusive presumption</u> that subdivided lots created prior to 1972 are legally created and legally subdivided, no such provision exists in the Business & Professions Code which deals with the same subdivision issue. Unfortunately, the Gov't Code § 66412.6 provision limits its application to "this division" of the code.

Another clarifying technical amendment that would be helpful would be to strike "this-division" from Gov't Code \$ 66412.6

Although we believe that existing subdivisions are "grandfathered" and protected by the XIVth Amendment and CAlifornia Constitution Art I S 1 - see also City of Memphis v. Greene(1981) 451 US 100, 101 S.Ct. 1584, 67 L.Ed2d 769 (Civil Rights Act of 1871, 42 USC 1981 et seq. guarantees the right to sell, hold and convey realty)—Chapman v. State (1957) 153 CA2d 421, 314 P2d 773 disregarded all vested constitutional rights and used the ambiguous language of "lands divided or proposed to be divided" to charge yet another fee (and untold delays) before lots in an existing subdivision could be marketed. In fact, if a home is built on 5 abutting lots, which are legally divided, it would be unsalable until the owner would once more pay for a subdivision report (\$1600. fee +++)

without doing any "subdividing" at all.

We submit that $\underline{B\&PC}$ \$ 11000 casts a serious cloud on title to all existing subdivisions if one person or entity would come into possession of 5 or more lots in the same subdivision. And while it is claimed that the subdivision laws are to "protect the people", we find thatour laws treat some sellers of subdivided lots as "more equal than others".

We refer to <u>Business & Professions Code</u> § 11010.6, which exempts all public agencies from the subdivisions report requirements alleged to "protect the public". For instance, the enclosed Notice of Sale from Modoc County contains more than 35 subdivided lots in the California Pines subdivision (Assessor's Books 035, 036 and 037). Certainly, these subdivided lots require the subdivisions report of B&PC 11000 et seq. And if a private developer would acquire and offer to sell more than 5 of these lots, then under the ambiguous language of <u>B&PC 11000</u> he might be required to pay once more for "subdividing" the already legally subdivided lots.

(As a result of this fear, the majority of the 78 items offered by Modoc County were not picked up by private parties, leaving the County "stuck" with thousands of dollars of uncollectible property taxes)

With ever-increasing concerns for "affordable housing", the great costs of governmental permits are one of the prime obstacles to providing shelter at a reasonable cost. As government seeks to increase the "take" from taxpayers, the unreasonable repetitious "subdividing" charges should not be sanctioned by ambiguous language in the laws.

Thanks for your attention.

Sincerely yours,

P BOGART

Legal Notices

LEGAL NOTICE		item N		Last Assesses	Minimum
		Na. Id.	Parcel No. 813-195-05-11	Modoc Recreational Est.	\$1000.00
PUBLIC AUCTION	1	17.	913-196-08-11	e'e Scott, J.H./Smith, Wm. D. Modec Recreational Est.	61000,00
NOTICE OF SALE ON AUG. 23, 1	988	10.	013-196-07-11	c/e Scott, J.H./Smith, Wen. D.	
OF TAX-DEFAULTED PROPER	TY			Modoc Recreational Est. c/o Scott, J.H./Smith, Wm. Jr.	81000.00
FOR DELINQUENT TAXES		19.	013-202-06-11	Thole, Carl J. c/o Stearns, Mrs. Violet	61000.00
Mel Mar. let appeal		20. 21.	018-240-43-11 018-240-44-11	Chesley, Robert R. Chesley, Robert R.	85000.00 85000.00
Whereas, on May 16, 1988 I was directed by the Board visors of Modoc County, State of California, and there we	a turnived	22.	018-240-60-11	Gienerakis, Robert M. & Adala M. JT	#6000.00
by me and filed in my office an authorization of the State dated June 8, 1988, to sell at public auction certain tar	-defaulted	23. 24.	018-291-14-11 018-471-10-11	Loveness Logging, Inc. Nelson, Alice C. &	85000.00 81000.00
properties which are subject to the power of sale, publishersby given that unless said properties are redeemed close of business on the last husiness day prior to the de-	c metice is	26.	018-471-11-11	Irons, Frances E. Nelson, Alice C. &	\$1000.00
begins, I will, commencing on August 23, 1998 and conta	misur from	26.	018-471-52-11	Irone, Frances E. Boyle, Dennis & Sybil	81500.00
day to day thereafter as necessary, at the hour of 10 o'cl. Room 101. Courthouse, in the City of Alturas, in the County	of Madae.		026-280-02-11	Smith, Margaret M. Commerce Dev. Co/Brennan, J.	85500,00
California, sell the said properties at public section, to t bidder for cash in lawful namey of the United States or	negotiable	171.	035-021-07-11 036-033-05-11	Addington, Marlane T. Segere, Gary L.	\$2500.00 \$2250.00
paper, for not less than the minimum bid set forth in this;	\	30.	038-035-04-11	Calif. Pines Rec. Est.	\$2250.00
If the proporties are sold, parties of interest, as defined 4678 of the California Revenue and Taxation Code, have	a right to	31.	035-035-15-11	Marriam, Charles & Therese c/o Diane Belcheff	\$1250.00
file a claim with the County for any proceeds from the sale in excess of the lims and costs required to be paid	which are	32.	035-063-11-11	Young, Tupolo A. & Anita J. JT	62500.00
proceeds. If excess proceeds result from the sale, noti- given to parties of interest, pursuant to law.	ce will be	33 .	036 -111-07-11	Selacup, Pedro L. &	\$2500.00
• • • • • • • • • • • • • • • • • • • •		34.	036-121-01-11	Edna M. JT Peterson, Anne J. &	12250.00
If redemption of the property is not made according to the property is sold, the right of redemption will coase.	M.M. Detoca	36.	035-161-26-11	Spangrud, Gienn & Pameia JT Noggle, L.C./Hazel	12250.00
I certify for declares under penalty of perjury that the fo	regoing is	36.	035-232-12-11	c/o Hasel Hutchinson Leisure Industries, Inc.	\$2250.00
true and correct.	e Mouros	37.	035-263-03-11	cro Bilteau, Charles L. Flores, Akx G. & Carman JT	82378.00
Linds D Modor County Tax Executed at Alturas, California	Collector	38.	035-361-13-11	Leisure Industries, Inc. c/o Mesdows, Donald/Linds	82500.00
Modor County on July 1, 1988		39.	035-361-14-11	Leisure Industries, Inc. c'o Mesdows, Donald & Linda	\$2500.00
Parcel Numbering System Explanati	ON		035-402-01-11	Rice, Bill & Jeanne	82500.00
The Assessor's Parcel Number, when used to describe p	roperty in		036-032-16-11 036-045-06-11	Jones, Mary Jo Leisure Industries, Inc.	\$1750.00 \$1750.00
chis list, refers to the assessor's map book, the map page, on the map, if applicable, and to the individual parcel num map page or in the block.	the block ber on the	43.	03 5-061-04- 11	c'o Avalos, John G. Leisure Industries, Inc. c'o Christanson, Donnis	#1750.00
A percel number, such as 45-523-13-21, is analyzed as fol	lows:		036-054-01-11 036-071-09-11	Maines, Ramon C. Jones, Mary Jo & Lester F. JT	\$1750.00 \$1750.00
46 would be the man busk number, 523 would be the man need 52			036-083-08-11 036-152-22-11	Meler, Albert & Mary Y, JT Rudkin, Roger Lee & Alia JT	81750.00 82500.00
and block 3 (if the "3" were a"0", that page would not contain a block). 13 is the parcel number, and 2 is a coded suffly to the parcel number of noting the interest held in parcel 13.			036-192-35-11	Garay, Carmen & Tellez, Porfirio Hawthorns, Jos L. &	82125.00
			038-261-04-11	Zella Ann JT	\$2500.00
The suffixes used in conjunction with the parcel numb follows:	47 474 ET	51.	036-271-14-11 038-281-13-11_	Gercie, Jesus U. & Margarita Rumsey, Frances J.	\$2500.00 \$2500.00
-11 Total ownership of interest and rights		P	037-091-07-11	Rults, Raymond D./Clerence E. Quimby, Lerry	\$2500.00
-21 Multiple ownership -31 Multiple ownership	`	53.	037-091-08-11	Leisure Industries, Inc. c/o Huite, L. Duene	\$2500.00
The maps referred to are available for inspection in the	office of	54.	037-091-29-11	Leisure Industries, Inc. Co Crawford, Lyle R.	\$2500.00
the essensor		55.	037-103-22-11	Miller, Daniel go Miller, Sharon E.	\$2000.00
The Book Browners where to the mobile is of this Month. It		56.	037-128-06-11	Nandina, Henry R.	\$2500.00
The Real Property that is the subject of this Notice is a the County of Modoc, State of California, and is dec			037-265-03-11	& Naomi L. JT Jones, Betty S.	\$2500.00
fallows:			037-352-17-11 037-861-48-11	Rogers, Kent C. & Nadsen V. JT Cutler, Harold & Dorina JT	\$2500.00 \$2500.00
Item No. Parcel No. Leut Assessor	Main on Bid	60.	037-404-14-11	e/o Schoder, M.W. Cordonist, Durrell E. & Jerry K.	\$2500.00
1. 005-405-08-11 Holdeman, Gereid & Lian JT	#1000.00 ^{_1}		037-461-33-11 037-461-51-11	Downs, Richard B. Ditto, Barry R.	\$2500,00 \$2500.00
 013-052-15-11 Calla, Peter S. & Ruth McNeil, Butchie Rath 	\$500,00	63.	037-473-18-11 037-481-34-11	O'Dell, Dorothy Leisurs Industries, Inc.	\$2500.00 \$2500.00
3. 013-053-06-11 Taylor, William R. & Jytta E. JT (4. 013-054-26-11 Gonzales, Dolores B.	\$500,00 \$500,00		037-518-64-11	cio Jones, H. Reliogg, Walter L.	\$2500.00
6. 013-054-27-11 Gunzales, Dolorce B.	8800.00	66.	038-082-06-11	Pendleton, DeWitt M.	\$2500.00
7. 013-052-12-11 Wielengs, floury K. 1/2	\$500.00 \$1250.00	F	038-181-20-11	Krocker, Charles Dennis & Lynne Carol JT	\$2500.00
Hedstrom, Evelyn K. 1/2 B. 1013-195-04-11 Borber, Maryanna D.	6876.00		038 -132-46-11 ⁷	Ortiz, Victor M. Rey & Hernandez, Samuel Jt	\$2500.00
 013-113-03-11 McEuen, Oré A. do Vivien Van Floet 	81076.00		039-202-04-11 039-212-01-11	Seiber, Jane E.Joseph P. Stocki, Glenn D.	\$3503.00 \$3529.00
10 013-126-01-11 Gage, Jo Ann 11. 013-134-24-11 Esquivel, John	8875.00 8625.00		040-121-10-11	Anderson, William E. & Bestrics A. JT	62221.00
c/o Rodrigues, Yolanda 12. 013-185-04-11 Austin, Joe L.	\$700.00	72.	040-171-24-11	Kinge Bay Escrow Co.	62221.00
Austin, Margaret Ann			041-083-05-11	c/o Kaufman & Broad Nakemura, Ikuo & Yoko JT	82250.00
IJ. 013-185-07-11 Austin, Margaret Ann.	8700.00	74.	041-881-04-11	Nelson, Ronald M.F. & Violet JT	\$2125.00

(3TJuly21,28,Aug. 4,1966